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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

November 1, 2011

Outgoing  
C0070041  
#3930  
R

Dave Shaver, Manager  
West Ridge Resources, Inc.  
P.O. Box 910  
East Carbon, Utah 84520-0910

Subject: Completion of Midterm Review, Task ID #3930, West Ridge Resources, West Ridge Mine, Permit C/007/0041

Dear Mr. Shaver:

On September 29, 2011, West Ridge Resources was informed that the Division of Oil, Gas and Mining (the Division) had commenced a midterm permit review for the West Ridge Mine. The following items were reviewed:

- A. Review of the Plan to ensure that the requirements of all permit condition, division orders, notice of violation (NOV), abatement plans, and permittee-initiated Plan changes approved subsequent to permit approval or renewal (whichever is the most recent) are appropriately incorporated into the Plan document.
- B. Ensure that the Plan has been updated to reflect changes in the Utah Coal Regulatory Program which have occurred subsequent to permit approval or renewal.
- C. Review applicable portions of the permit to ensure that the Plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.
- D. Evaluate the compliance status of the permit to ensure that all unabated enforcement actions comport with current regulations for abatement; verify the status of all finalized penalties levied subsequent to permit issuance or permit renewal, and verify that there are no demonstrated patterns of violation (POV). This will include an AVS check to ensure that Ownership and Control information is current and correct.
- E. Evaluate the reclamation bond to ensure that coverage adequately addresses permit changes approved subsequent to permit approval or renewal, and to ensure that the bond amount is appropriately escalated in current-year dollars.
- F. Evaluate the permit for compliance with variances or special permit conditions.



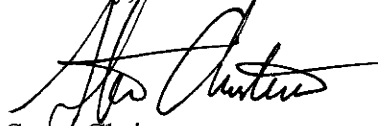
G. Optional for active mines, mandatory for reclamation only sites: conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness for operational, reclamation, and contemporaneous reclamation practices undertaken on predetermined portions of the disturbed area to minimize, to the extent practicable, the contribution of acid or toxic materials to surface or groundwater, and to otherwise prevent water pollution.

The midterm review has now been completed and will now be closed; however, the Division has identified deficiencies that must be addressed. The deficiencies have been included with this letter (See Attached). The name of the author for each of the respective deficiencies has been provided.

Your response to these deficiencies will need to be submitted as an amendment to your MRP and will be processed as a separate task. Please submit the required amendment with the accompanying C1 and C2 forms by no later than December 1, 2011.

If you have any questions regarding these requirements or the Midterm Review process, please don't hesitate to call me at 801-538-5262 or Ingrid Campbell at 801-538-5318.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Christensen', with a stylized, flowing script.

Steve Christensen  
Permit Supervisor

**Deficiency List**  
**Task No. 3930**  
**Midterm Permit Review**

The members of the review team include the following individuals:

Ingrid Campbell (IC)  
April Abate (AA)  
James Owen (JO)  
Steve Christensen (SC)  
Priscilla Burton (PB)  
Angela Nance (AN)

**R645-301-112.330:** Please submit updated Ownership and Control information to clarify the following discrepancies:

Some of the information in the current MRP does not match the information found in the OSM/AVS database.

**Murray Energy Holdings, Co.**

The AVS shows an End Date of 11/29/05 for Robert Murray, President and CEO. This End Date is not in the current MRP. *Please address this discrepancy by either updating this information in the MRP to reflect what is in AVS or by providing a Secretary's Certificate to correct the AVS.*

**AMCA Coal Leasing, Inc.**

The AVS shows a Begin Date of 12/16/06 for Robert D. Moore, Treasurer and Michael O. McKown, Secretary. The MRP shows a Begin Date of 08/18/06. *Please address this discrepancy by either updating the information in the MRP to reflect what is in AVS or by providing a Secretary's Certificate to correct the AVS. (AN)*

**R645-301-622.400:** Section 622.400 on page 6-6 of the MRP states that "*No oil and gas wells exist within the proposed permit area*". According to Map 6-1 – Regional Geology Map, Section 3 of T.14 S. R. 13 E. gas vent well sites are located in Bear Canyon. Section 622.400 will need to be updated to address the gas vent well sites in Bear Canyon. **(AA)**

**R645-301-622:** The Table of Contents – Map List on page iii of Chapter 6 indicates that the scale of each of these maps is: 1" = 1,000'. The scale shown on the maps themselves indicates a scale of 1" = 2,500', with the exception of Map 6-1A showing a scale of 1" = 700'. The scale information on the Chapter 6 Table of Contents should either be updated or removed altogether. **(AA)**

**R645-301-751:** The Permittee must update Appendix 7-10, UPDES Permit with the up to date Utah Pollution Discharge Elimination System permit (No. UT0025640). **(SC)**

**R645-301-830.140,** Please provide updated bonding information in terms of detailed estimated cost, with supporting calculations for the estimates, submitted by the permit applicant. This includes updated unit costs (to be used to update bond calculation spreadsheets) and updated escalation factors (use the Division's approved 1.7% and 5 year escalation). **(JO)**